

Rotorua Regional Airport Limited

Financial Statements

For the Year Ended 30 June 2026



ROTORUA AIRPORT

A nighttime photograph of the Rotorua Regional Airport terminal building. The building features a large, illuminated sign that reads "ROTORUA AIRPORT". The sign is white with a stylized "O" containing a circular logo. The building has a modern design with large glass windows and doors. The interior lights are visible through the glass, and the reflection of the sunset or sunrise is visible on the glass. A person is standing near the entrance on the right. The sky is dark blue, and a street light is visible on the left. A large, semi-transparent circular graphic is overlaid on the left side of the image.

Rotorua Regional Airport Limited

Director's Annual Report
For the Year Ended 30 June 2026



Contents	Page
Company Directory	1
Directors' Annual Report	2
Auditor's Report	4
Statement of Management Responsibility	8
Statement of Service Performance	9
Statement of Comprehensive Revenue & Expense	13
Statement of Changes in Equity	14
Statement of Financial Position	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

Rotorua Regional Airport Limited

Company Directory as at 30 June 2026



Date of Incorporation	6 April 1990
Company Number	386483
IRD Number	051-834-720
Nature of Business	Provision of Safe & Efficient Airport Services for Airline and Aircraft Operators and the Travelling Public
Business Location	Rotorua Airport 837 Te Ngae Road, Owkata, Rotorua 3074
Registered Office	Rotorua Airport 837 Te Ngae Road, Owkata, Rotorua 3074

Directors	Kevin William Ward (Chairperson) Danielle Louise Auld Grant Raymond Lilly Marie Angela Hosking Mark William East Christopher Myers
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Auditors	The Audit Office on behalf of the Auditor-General
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Accountants	BWTL Advisory Limited, Rotorua
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Bankers	Bank of New Zealand, Rotorua
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Solicitors	Holland Beckett, Rotorua
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Shareholders	Rotorua Lakes Council	28,645,000	Ordinary Shares
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Rotorua Regional Airport Limited

Director's Annual Report

For the Year Ended 30 June 2026



The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 30 June 2026.

Section 211 of the Companies Act 1993 requires the following disclosures:

Principal Activities

The business of the company is the provision of safe and efficient airport services for airlines and aircraft operators and the travelling public. The nature of the company's business has not changed during the year.

Auditors

The Auditor General is appointed under Section 15 of the Public Audit Act 2001. Provision for audit fee for the year was \$60,000.

Directors Holding Office

The following Directors held office as at 30 June 2026:

	Date of Appointment
Kevin William Ward (Chairperson)	09/10/2023
Danielle Louise Auld	05/03/2020
Grant Raymond Lilly	26/08/2021
Marie Angela Hosking	09/10/2023
Mark William East	09/10/2023
Christopher Paul Myers	29/06/2026 (effective 18 August 2026)

Directors' Remuneration

Directors' remuneration paid was as follows:

	2026	2025
Kevin William Ward (Chairperson)	34,338	30,000
Danielle Louise Auld	22,200	20,000
Fredrick N Cookson (ceased 15/04/26)	13,903	17,500
Grant Raymond Lilly	17,172	15,000
Marie Angela Hosking	16,125	15,000
Mark William East	17,169	15,000
	120,907	112,500

No other benefits have been provided by the Company to a Director for services as a Director or in any other capacity. No loans have been made by the Company to a Director nor has the Company guaranteed any debts incurred by a Director.

Employees' Remuneration

The following numbers of employees, who were not directors, received remuneration and benefits which exceeded \$100,000 in value for the 2026 financial year:

	2026	2025
\$100,001 - \$125,000	4	4
\$125,001 - \$150,000	1	-
\$150,001 - \$175,000	1	1
\$175,001 - \$200,000	1	1
\$201,001 - \$225,000	-	-
\$225,001 - \$250,000	-	-
\$250,001 - \$275,000	1	1

Directors' Disclosures

The financial statements have been prepared for the purposes of, and in accordance with, the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

There were entries recorded in the Register of Interests. See Note 23 of the financial statements.

No Director acquired or disposed of any interest in shares in the company.

The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.

The Company paid all premiums on contracts insuring directors in respect of liability and costs permitted to be insured against in accordance with Section 162(5) of the Companies Act 1993.

Donations

No donations were made by the company during the year.

For and on behalf of the Board of Directors,

Director _____ Director _____

Dated this ____ day of _____ 2026.

Independent Auditor's Report

To the readers of Rotorua Regional Airport Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Rotorua Regional Airport Limited (the Company). The Auditor-General has appointed me, Anton Labuschagne, using the staff and resources of the Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policies information and other explanatory information on pages 13 to 35; and
- the performance information for the year ended 30 June 2026 as contained in the statement of service performance on pages 9 to 12.

In our opinion:

- the financial statements of the company present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with PBE Accounting Standards Reduced Disclosure Regime; and
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2026, and has been prepared in all material respects in accordance with section 68 of the Local Government Act (the Act).

Emphasis of matter – comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to Note 24 on page 35, which outlines that the Company presented forecast financial information with the historical financial statements that was limited to the statement of comprehensive revenue and expenses.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing:

- financial statements that are fairly presented and comply with PBE Accounting Standards Reduced Disclosure Regime; and
- performance information in accordance with section 68 of the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Act.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- we identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- we conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.



Anton Labuschagne

The Audit Office

On behalf of the Auditor-General

Tauranga, New Zealand, 25 September 2026

Rotorua Regional Airport Limited

Statement of Management Responsibility

For the Year Ended 30 June 2026



The Directors of Rotorua Regional Airport Limited accepts responsibility for the preparation of the annual financial statements and Statement of Service Performance and the judgements used in these statements.

The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the company's financial and non-financial reporting.

In the opinion of the Directors, the annual financial statements and Statement of Service Performance for the financial year fairly reflect the financial position, operations and cash flows of the company.

Director _____ Director _____

Dated this _____ day of _____ 2026.

PERFORMANCE INFORMATION – NON-FINANCIAL

The following is a Statement of Service Performance relating to the financial and non-financial performance measures and key objectives outlined in the Company's Statement of Intent (SOI) for the year ended 30 June 2026.

Non-financial measures	FY26 Target	FY26 Actual	Performance	FY25 Actual
Aircraft movements (1)	5,364	5,020		5,421
Passenger numbers (2)	182,881	189,045		206,008
Aviation Compliance (3)	Yes	Yes		Part 139 Certification held
Legal Compliance (4)	Provided quarterly (4)	Yes		Provided quarterly (4)
Asset Management (5)	By 30 December each year	Yes		Project delayed, partially implemented

Key



Met



Not achieved

Note ⁽¹⁾ Aircraft movements data is provided by Airways NZ and Air NZ. Commercial numbers were slightly behind budget due to Air New Zealand reducing the schedule as a result of operational restraints and lower demand. A landing and a take off are counted as 1 movement. General Aviation aircraft movement numbers were behind budget by 313 movements.

Note ⁽²⁾ Passenger numbers are calculated from raw data files provided by the airline carriers. Passenger numbers decreased by 8.2% on previous year and were 3.3% over budget, reflecting the lower Air New Zealand capacity.

Note ⁽³⁾ The Company has a current Part 139 Operating Certificate.

Note ⁽⁴⁾ Legal compliance relates to the maintenance of a rolling 5 year legal and regulatory compliance dashboard, which is reported on quarterly to the Board and Rotorua Lakes council.

Note ⁽⁵⁾ Asset management relates to a high-level asset management summary which includes a summary of assets, values, maintenance schedules and renewals information.

PERFORMANCE INFORMATION – FINANCIAL

Financial measures	FY26 Target	FY26 Actual	Performance	FY25 Actual
Aeronautical Revenue (1)	4,964,943	4,973,006	Met	4,145,491
Non-Aeronautical Revenue	1,486,031	1,668,279	Met	1,497,180
Service Funding Agreement	1,800,000	1,800,000	Met	1,800,000
Total Revenue	8,250,974	8,441,285	Met	7,474,291
Operating Expenses (2)	2,842,612	2,356,328	Met	1,919,802
Overheads	2,301,217	2,392,745	Not achieved	2,223,344
Interest	353,460	291,549	Met	364,945
Total Expenses before depreciation	5,497,289	5,040,622	Met	4,508,091
Net Surplus (deficit) before depreciation (3)	2,753,685	3,400,663	Met	2,966,200
Net Surplus (deficit) after depreciation & before tax	206,193	795,542	Met	487,630
Capital expenditure (4)	2,302,500	1,143,443	Not achieved	1,385,663
Shareholders' funds to total assets	77%	82%	Met	79%
Term Borrowings (with LGFA via RLC)	9,750,000	8,350,000	Met	11,150,000
	Met	Not achieved		

Note (1) Landing charges revenue were 0.1% above budget, due to better than budgeted passenger numbers, which had a direct impact on aeronautical revenue above SOI.

Note (2) Operating expenses for FY26 were 17% (\$486,284) below the SOI Budget, primarily reflecting the timing of repairs and maintenance to the runway, and lower than budgeted flight clearance costs. Runway and apron costs were lower than anticipated due to delays in planned works, with cold weather delaying apron surface treatments until FY26. Similarly, terminal and building expenses were reduced as works on RRA-owned hangars were deferred. These projects have been rescheduled and will now be undertaken within the FY26 operating budget.

Note (3) Net surplus (deficit) before depreciation was 23% better than the SOI target primarily driven by the lower runway maintenance and flight clearance costs..

Note (4) Lower capital expenditure was due to changes in timing of projects, delayed into FY 2027.

KEY PRIORITIES AND OBJECTIVES

The board and Management identified five key priorities for FY26, as set out in the SOI. Safety and environmental considerations are embedded across the business and span all key priorities and objectives. Below is an update on each:



Excelling Today

Rotorua Regional Airport (RRA) has maintained overall compliance with Civil Aviation Rule Part 139 Aerodromes Certification, Operation and Use, and Part 100 Safety Management. This is an operating requirement of the Civil Aviation Authority (CAA). RRA has a current Part 139 Operating Certificate which is valid until February 2029.

A number of operational changes and improvements were made in FY26 to ensure RRA remains a safe airport. These included:

- Completion of an Obstacle Limitation Surface (OLS) survey, and continued focus on priority areas within the tree management program. Focus in FY26 was on reducing operational constraints and minimising the risk of trees through the OLS and instrument flight surfaces through a collaborative approach with other data users via a shared model format.
- Improving systems and processes to ensure RRA is managing hazardous substances in line with best practice.



Ready for Tomorrow

RRA is progressing initiatives to future-proof infrastructure and adopt emerging aviation technologies.

- The airport instrument flight surfaces were modelled and included in our online Geographic Information System (GIS) tool, providing RRA with the design criteria to protect these surfaces for current and future airport operations.
- RRA continues to develop improved data and understanding of flight protection surfaces so it is poised to benefit from new technologies such as SBAS (Satellite Based Augmentation System), when they become available.
- The Emergency Operations Centre (EOC) generator was commissioned, and the terminal generator was installed, ready for commissioning in early FY27.
- Board approval and debt borrowing was gained for Stage 1A of the airport business park, including the Climate Resilience Airside Swale. The focus in FY27 is on the delivery of these enabling infrastructure works.



Quality Asset Management

RRA continues to strengthen its asset management approach with a focus on renewals and forward planning.

- Continued focus on asset management including maintenance plans and reporting.
- Renovations were completed to two residential rental properties.
- A new License Plate Recognition carpark system was installed to replace end of life hardware and carpark software systems.
- The remaining diesel ute operations vehicle was upgraded to a fully electric SUV. This vehicle meets airport operational requirements and is also part of RRA's commitment to improve environmental sustainability and cost efficiencies when undertaking planned capex renewals.
- EOC Fire Protection upgrade completed, including an upgraded monitored alarm system.
- Progressing towards the acquisition of the Airways owned Airfield Ground Lighting system, and partial replacement in FY27.



Stronger Together

Community engagement and partnerships have been key priorities in FY26.

- RRA co-hosted a number of community engagement events including Two Stepping on the Tarmac, 2026 Supper Club, the Rotorua Business Chamber Career Pathways Event and a Business After 5.
- RRA received 19 requests for community support. Thirteen of these met the RRA community support guidelines and were approved, predominantly for use of the Business Hub.
- The April RRA board meeting was held at Ruamata Marae followed by an open afternoon tea with Ngāti Uenukukōpako



Be Financially Stable

Progress has been made on commercial development and non-aeronautical revenue growth.

- With Stage 1A of the Airport Business Park approved in FY26 focus now shifts to delivery and tenant acquisition for FY27.
- Solar Farm exploration continues with technical studies having been completed and further investigation underway.
- The carpark hardware and software upgrade provides surety for a significant revenue stream and provides improved data and analysis to drive revenue optimisation.
- RRA consulted on pricing for Regular Passenger Transport (RPT) services and set charges for the FY27-FY29 three year period.

Rotorua Regional Airport Limited

Statement of Comprehensive Revenue & Expense
For the Year Ended 30 June 2026



	Note	2026 Actual	2026 Budget	2025 Actual
REVENUE				
Operating revenue	3	8,314,253	8,226,300	7,442,671
Other revenue	4	127,032	24,674	31,620
TOTAL REVENUE		8,441,285	8,250,974	7,474,291
EXPENSES				
Operating expenses	5	1,236,932	1,748,029	849,171
Depreciation, amortisation & impairment charges	11,12	2,605,121	2,547,492	2,478,570
Directors' fees		120,907	114,750	112,500
Finance expense		291,549	353,460	364,945
Personnel costs	20	1,854,105	1,821,625	1,758,393
Other expenses	6	1,537,129	1,459,425	1,423,082
TOTAL EXPENSES		7,645,743	8,044,781	6,986,661
SURPLUS (DEFICIT) BEFORE TAX		795,542	206,193	487,630
Income tax expense	10	(236,085)		(261,913)
SURPLUS (DEFICIT) AFTER TAX		1,031,627		749,543
OTHER COMPREHENSIVE REVENUE & EXPENSE				
<i>Items that will not be reclassified to surplus (deficit)</i>				
Gain on revaluation of property, plant & equipment	16c,11	-	-	-
Income tax relating to gain on revaluation	16c,11	-	-	-
TOTAL COMPREHENSIVE REVENUE & EXPENSE		1,031,627		749,543

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Changes in Equity
For the Year Ended 30 June 2026

ROTORUA
AIRPORT

	Note	2026	2025
EQUITY AT START OF YEAR		69,854,218	69,104,675
Total comprehensive revenue & expense for the year	16a-c	1,031,627	749,543
EQUITY AT END OF YEAR		70,885,845	69,854,218

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Financial Position

As at 30 June 2026



	Note	2026	2025
CURRENT ASSETS			
Cash and cash equivalents	9	1,177,125	1,569,320
Receivables from exchange transactions	17	439,210	342,830
Other receivables	17	54,092	38,900
Prepayments		115,477	120,014
TOTAL CURRENT ASSETS		1,785,904	2,071,064
NON-CURRENT ASSETS			
Property, plant & equipment	11	84,450,428	85,932,858
Intangible assets	12	-	14,971
TOTAL NON-CURRENT ASSETS		84,450,428	85,947,829
TOTAL ASSETS		86,236,332	88,018,893
CURRENT LIABILITIES			
Payables under exchange transactions	18	690,773	506,356
Other payables	18	112,347	100,395
Income and rent in advance		12,938	12,798
Employee entitlements	19	166,269	140,881
Current portion of borrowings	22	-	1,400,000
TOTAL CURRENT LIABILITIES		982,327	2,160,430
NON-CURRENT LIABILITIES			
Borrowings	22	8,350,000	9,750,000
Deferred tax liabilities	10	6,018,160	6,254,245
TOTAL NON-CURRENT LIABILITIES		14,368,160	16,004,245
TOTAL LIABILITIES		15,350,487	18,164,675
NET ASSETS		70,885,845	69,854,218
EQUITY			
Share capital	16(a)	28,645,000	28,645,000
Retained earnings	16(b)	5,997,237	4,965,610
Asset revaluation reserve	16(c)	36,243,608	36,243,608
TOTAL EQUITY		70,885,845	69,854,218

The Board of Directors of Rotorua Regional Airport Limited authorised these financial statements for issue on _____ 2026.

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Cashflows

For the Year Ended 30 June 2026



	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Receipts from customers		8,230,584	7,466,893
Interest received		22,815	31,620
Goods and services tax (net)		-	10,861
Income tax refund)		3,393	-
		8,256,792	7,509,374
Cash was paid to:			
Payments to suppliers and employees		(4,788,335)	(4,175,170)
Goods and services tax (net)		(10,408)	-
Income tax payment		-	(2,551)
Interest paid		(297,256)	(371,929)
		(5,095,999)	(4,549,650)
Net cash flow from operating activities	8	3,160,793	2,959,724
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was received from:			
Proceeds from sale of property, plant and equipment		29,565	-
		29,565	-
Cash was paid to:			
Purchase of property, plant and equipment		(782,553)	(1,328,235)
		(782,553)	(1,328,235)
Net cash flow from investing activities		(752,988)	(1,328,235)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Proceeds from borrowings		-	-
		-	-
Cash was paid to:			
Repayment of borrowings		(2,800,000)	(600,000)
Net cash flow from financing activities		(2,800,000)	(600,000)
Net increase (decrease) in cash and cash equivalents		(392,195)	1,031,489
Cash and cash equivalents at the beginning of the year		1,569,320	537,831
Cash and cash equivalents at the end of year	9	1,177,125	1,569,320

The GST (net) component of the operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of other primary financial statements.

The accompanying notes form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

1. REPORTING ENTITY

Rotorua Regional Airport Limited ('the Company') is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is fully owned by the Rotorua Lakes Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2026. The financial statements were authorised for issue by the directors on 25 September 2026.

2. BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis.

Statement of compliance

The Company is a reporting entity for the purposes of the Financial Reporting Act 1993. These financial statements comply with the Financial Reporting Act 1993, the Companies Act 1993, and Section 69 of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). Non-compliance relating to the Statement of Intent (SOI) and not providing forecast financial information in the financial statements, is further detailed in Note 24.

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards.

The entity is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the entity has no public accountability and has expenses >\$5m and ≤ \$33m.

These financial statements comply with PBE standards.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and infrastructure assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest dollar. The functional currency of the Company is New Zealand dollars.

Changes in accounting policies

There have been no changes in the Company's accounting policies since the date of the last audited financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial results and financial position has been adopted in the preparation of the financial statements.

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from non-exchange transactions

Service funding from Rotorua Lakes Council is recognised as revenue when it becomes receivable.

For donated asset received for no or nominal consideration, the asset is only recognised at its fair value, and the fair value of the asset is only recognised as revenue, where both it is probable that the associated future economic benefit or service potential will flow to the entity, and fair value is reliably measured.

Revenue from exchange transactions

Operating revenue is recognised when earned.

Lease income is recognised on an accrual basis with reference to the leases and rental agreements in force at balance date, with adjustment for rent paid in advance.

Interest income is recognised using the effective interest method.

(b) Borrowings & borrowing costs

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The classifications of financial assets are determined at initial recognition and subsequently measured at amortised cost or fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The classification determines subsequent measurement and whether any resulting revenue or expense is recognised in surplus or deficit or in other comprehensive revenue or expenses. The Company's financial assets are classified as either financial assets at fair value through surplus or deficit or amortised cost.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are no SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting the contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within the business model with the objective to hold financial assets in order to collect contractual cash flows.

(i) Financial assets at amortised cost

Financial assets at amortised costs are non-derivative financial assets or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition, these financial assets are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired.

The Company's cash and cash equivalents and receivables are categorised as financial assets at amortised cost.

(ii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial assets or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Financial liabilities at amortised cost are classified at initial recognition. The Company's financial liabilities include trade and other payables (excluding taxes payable) and borrowings.

All financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. Gains or losses are recognised in the statement of financial performance when the liabilities are derecognised.

(d) Employee remuneration and other personnel costs

Salaries and wages are recognised as an expense as employees provide services and become entitled to wages, salaries and leave entitlements.

Liabilities for accumulating short-term entitlements are measured at nominal value based on unused entitlement accumulated at current rate of pay at balance date.

Employer contributions to KiwiSaver, are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as they are incurred.

(e) Goods & Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue Department, including GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

(f) Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

(g) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(h) **Property, Plant & Equipment**

Property Plant and Equipment consist of:

Operational Assets

These assets include land, buildings & fit-out, furniture and office equipment, computer equipment, motor vehicles and various plant and equipment.

The Company owns a number of residential properties as a land bank to cover possible future expansion of the runway and safety areas. The receipt of market-based rental from these properties is incidental to this purpose. The properties are held for service delivery objectives as part of the Airport's overall operating strategy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

Infrastructure Assets

These assets include runways, aprons, taxiways, surround security fences, other paved areas (pavements, car parks & roads) and underground reticulated systems.

Measurement

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses with the following exception:

- Land is measured at fair value
- Buildings and infrastructure assets are measured at fair value less accumulated depreciation and impairment losses.

Revaluations

Land, buildings and infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and are revalued at least every five years. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then the off-cycle asset classes are revalued.

Accounting for Revaluations

The Company accounts for revaluations on a class of assets basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the statement of comprehensive revenue and expense.

When revalued assets are sold, the amount included in revaluation reserve in respect to those assets is transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. Components of infrastructure assets with infinite useful lives are not depreciated. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructure assets

Runway, Taxiways, Aprons	1-45 years
Other Paved Areas	1-45 years
Surround Security Fences	10 years

Operational assets

Buildings and Fit-out	1-50 years
Motor Vehicles	5-25 years
Furniture & Office Equipment	10 years
Computer Equipment	4 years
Plant & Equipment	5-10 years

(i) **Impairment**

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised in the statement of comprehensive revenue and expense. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

(j) **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	4 years	25%SL
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(k) **Critical accounting estimates and assumptions**

In preparing these financial statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

At balance date, the Company reviews the useful life of its buildings and infrastructure assets. Assessing the appropriateness of useful life and residual value estimates requires the Company to consider a number of factors, such as the physical condition of the assets, expected period of use of the assets by the Company, and expected disposal proceeds from the future sale of the assets. An incorrect estimate of the useful life will impact on the depreciation expense recognised in the profit and loss, and the carrying amount of the assets in the statement of financial position. The Company will minimise the risk of this estimation uncertainty by physical inspections of assets, and asset replacement of programmes in line with useful life expectations.

Impairment of property, plant and equipment and intangible assets

The Company performs impairment testing with respect to its property, plant and equipment and intangible assets. In determining whether impairment exists, there is no impairment if the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation for cash generating assets is based on a discounted cash flow model. The cash flows are derived from the forecasted cashflows. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows.

Estimating the fair value of land and buildings and infrastructure assets

Land, being airport land and other land, has been assessed based upon potential use, location, size and services provided. Fair values of land are based upon the highest and best use principle which may not be necessarily the existing use. Highest and best use in relation to the valuation is the most probable use of the land which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the asset being valued. To establish an appropriate market value for the airport land, comparable sales evidence has been analysed to establish current market buying price for the land in its highest and best alternative use. Having established base land value rates, adjustments have been made to reflect location, scale, designation and resource management issues. Other land has been assessed at fair value using fair market, highest and best use basis determined from prevailing land sales with adjustments made for future potential as industrial.

Aeronautical specialised buildings and infrastructure assets have been assessed at fair value using Optimised Depreciated Replacement Cost approach (ODRC). The ODRC approach uses the minimum cost of replacing or replicating the service potential embodied in the assets with modern equivalent assets in the most efficient was practical given the service requirements, the age and condition of the existing assets and replacement in the normal course of business. Non-aeronautical buildings have been assessed at fair value using both ODRC approach and Direct Capitalisation approach. The Direct Capitalisation approach is based on market derived cash flows for the buildings and an applied investment yield. For any non-aeronautical buildings that cannot be legally or physically separated from the main airport campus, reliance has been placed on the ODRC approach to determine its fair value.

Residential buildings have been assessed at fair value using fair market, highest and best use basis determined from prevailing land sales with adjustments made for future potential as industrial.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2026



3. OPERATING REVENUE

	2026	2025
Exchange revenue		
Landing Charges	4,973,006	4,145,491
Lease Rental	553,393	473,265
Parking Revenue	732,594	781,365
Other Operating Revenue	255,260	242,550
Non-exchange revenue		
Rotorua Lakes Council Service Funding	1,800,000	1,800,000
Total Operating Revenue	8,314,253	7,442,671

4. OTHER REVENUE

	2026	2025
Interest Received	88,862	31,620
Foreign exchange gains	8,605	
Gain on disposal of property, plant & equipment	29,565	-
Total Other Revenue	127,032	31,620

5. OPERATING EXPENSES

	2026	2025
Rental Property Expenses	237,192	80,555
Runway/Taxiway/Apron Expenses	472,759	273,757
Surrounds Expenses	141,235	187,948
Terminal Expenses	385,746	306,911
Total Operating Expenses	1,236,932	849,171

6. OTHER EXPENSES

	2026	2025
Audit Fee for audit of annual report	59,212	58,974
Land Rates	144,255	136,242
Other Expenses	1,333,662	1,227,866
Total Other Expenses	1,537,129	1,423,082

7. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments in each of the financial instrument categories are as follows:

	2026	2025
Financial assets at amortised cost		
Cash and cash equivalents	1,177,125	1,569,320
Trade and other receivables (excluding taxes receivable)	457,794	342,830
Total financial assets at amortised cost	1,634,919	1,912,150
Financial liabilities at amortised cost		
Trade and other payables (excluding taxes payable)	718,515	562,299
Borrowings	8,350,000	11,150,000
Total financial liabilities at amortised cost	9,068,515	11,712,299

8. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2026	2025
Surplus/(deficit) after tax	1,031,627	749,543
Add (less) non-cash items		
Depreciation, amortisation & impairment losses	2,605,121	2,478,570
Deferred tax	(236,085)	(261,913)
	3,400,663	2,966,200
Add (less) movements in working capital items		
Employee entitlements	25,388	(43,804)
Trade and other receivables	(111,572)	26,886
Prepayment	4,537	(1,057)
Trade & other payables	(164,522)	4,819
Income and rent in advance	140	(1,375)
	(246,029)	(14,531)
Add (less) items classified as investing or financing activities		
Net loss on disposal of property, plant & equipment	6,159	8,055
Net cash flows from operating activities	3,160,793	2,959,724

The trade creditors and other payables movement does not agree with the face of the statement of financial position due to the exclusion of this year's fixed asset payable of \$485,680 (2025: \$124,788)

9. CASH & CASH EQUIVALENTS

	2026	2025
Cash at bank	1,176,944	1,565,267
Cash on hand	181	4,053
Net cash & cash equivalents	1,177,125	1,569,320

10. INCOME TAX

	2026	2025
Components of tax expense		
Current tax expense	-	-
Deferred tax expense	(236,085)	(261,913)
Tax expense	(236,085)	(261,913)

Relationship between tax expense and accounting profit

Surplus (deficit) before tax	795,542	487,630
Tax at 28% (2025: 28%)	222,752	136,536
Non-deductible expenditure	58,249	25,970
Group loss offset	(539,606)	(445,626)
Deferred tax adjustment	22,520	21,207
Tax expense	(236,085)	(261,913)

Deferred tax asset (liability)

	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
Balance at 30 June 2024	(6,603,576)	34,341	53,077	-	(6,516,158)
Charged to surplus or deficit	255,226	3,285	3,402	-	261,913
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2025	(6,348,350)	37,626	56,479	-	(6,254,245)
Charged to surplus or deficit	262,003	5,202	(31,120)	-	236,085
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2026	(6,086,347)	42,828	25,359	-	(6,018,160)

11. PROPERTY, PLANT & EQUIPMENT

	Plant and Equipment	Motor Vehicles	Furniture and Office Equipment	Computer Equipment	Land	Buildings & Fit-out	Infrastructure Assets	Total
Cost								
Balance 1 July 2024	1,291,103	1,919,111	212,131	117,237	27,255,000	23,222,001	34,586,749	88,603,332
Elimination on Revaluation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Additions	298,191	489,298	97,916	29,333	-	443,722	27,203	1,385,663
Disposals	(86,320)	-	(55,261)	(657)	-	(6,729)	-	(148,967)
Balance 30 June 2025	1,502,974	2,408,409	254,786	145,913	27,255,000	23,658,994	34,613,952	89,840,028
Balance 1 July 2025	1,502,974	2,408,409	254,786	145,913	27,255,000	23,658,994	34,613,952	89,840,028
Elimination on Revaluation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Additions	410,146	496,611	33,659	23,818	-	92,826	86,383	1,143,443
Disposals	(295,552)	(45,225)	(21,476)	(8,247)	-	-	-	(370,500)
Balance 30 June 2026	1,617,568	2,859,795	266,969	161,484	27,255,000	23,751,820	34,700,335	90,612,971
Accumulated Depreciation and Impairment Losses								
Balance at 1 July 2024	944,270	472,145	127,321	34,760	-	-	-	1,578,496
Elimination on Revaluation	-	-	-	-	-	-	-	-
Depreciation Expense	59,524	67,270	16,561	32,503	-	784,268	1,509,460	2,469,586
Impairment Losses	-	-	-	-	-	-	-	-
Disposals	(85,101)	-	(55,261)	(550)	-	-	-	(140,912)
Balance at 30 June 2025	918,693	539,415	88,621	66,713	-	784,268	1,509,460	3,907,170
Balance at 1 July 2025	918,693	539,415	88,621	66,713	-	784,268	1,509,460	3,907,170
Elimination on Revaluation	-	-	-	-	-	-	-	-
Depreciation Expense	73,356	67,236	26,046	31,010	-	819,986	1,587,487	2,605,121
Impairment Losses	-	-	-	-	-	-	-	-
Disposals	(277,473)	(45,225)	(19,473)	(7,577)	-	-	-	(349,748)
Balance at 30 June 2026	714,576	561,426	95,194	90,146	-	1,604,254	3,096,947	6,162,543
Carrying Amounts								
At 1 July 2024	346,833	1,446,966	84,810	82,477	27,255,000	23,222,001	34,586,749	87,024,836
At 30 June and 1 July 2025	584,281	1,868,994	166,165	79,200	27,255,000	22,874,726	33,104,492	85,932,858
At 30 June 2026	902,992	2,298,369	171,775	71,338	27,255,000	22,147,566	31,603,388	84,450,428

Within the cost of property plant and equipment is a prepayment of \$1,205,902 (2025: \$775,625) for a fire truck in progress being built overseas under contract, and due for arrival July 2026.

The carrying amount of property, plant and equipment of \$84,450,428 has been pledged as security for loans under a general security agreement with Rotorua Lakes Council.

An independent valuation of the Company's land and buildings was performed by CBRE, Registered Valuer, and valuation of infrastructure assets was performed by Beca Projects NZ Limited to determine the fair value of the assets. The effective date of these valuations was 30 June 2024. A fair value assessment was performed as at 30 June 2026 which confirmed there were no material movements between the assets' carrying amount, and fair value.

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2026

ROTORUA
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12. INTANGIBLE ASSETS

	Acquired Software	Total
Cost		
Balance 1 July 2024	119,002	119,002
Additions	-	-
Disposals	-	-
Balance 30 June 2025	119,002	119,002
Balance 1 July 2025	119,002	119,002
Additions	-	-
Disposals	(35,934)	(35,934)
Balance 30 June 2026	83,068	83,068
Accumulated Amortisation and Impairment Losses		
Balance at 1 July 2024	95,047	95,047
Amortisation Expense	8,984	8,984
Impairment Losses	-	-
Disposals	-	-
Balance at 30 June 2025	104,031	104,031
Balance at 1 July 2025	104,031	104,031
Amortisation Expense	-	-
Impairment Losses	-	-
Disposals	(20,963)	(20,963)
Balance at 30 June 2026	83,068	83,068
Carrying Amounts		
At 1 July 2024	23,955	23,955
At 30 June and 1 July 2025	14,971	14,971
At 30 June 2026	-	-

13. CAPITAL EXPENDITURE COMMITMENTS

	2026	2025
Capital commitments		
Property, Plant & Equipment	-	441,128
Total Capital Commitments	-	441,128

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2026



14. CONTINGENT ASSETS & LIABILITIES

(a) Contingent Assets

The Company has no contingent assets (30 June 2025: nil).

(b) Contingent Liabilities

The Company has a contingent liability at balance date, that has not been quantified. Recent investigations have shown ground contamination caused by the historic use of PFAS-containing firefighting foams. These foams were once considered industry best practice, but their use was phased out in the 2000's. The Company is still investigating the environmental and financial impacts and remediation options, so the amount of any present obligation cannot be measured with any reliability. The Company is also pursuing potential co-funding and third party reimbursement towards potential costs. The company therefore cannot quantify any contingent amounts that may arise (30 June 2025: \$Nil).

15. OPERATING LEASE COMMITMENTS

(a) Operating lease as lessee

The Company has no operating lease as lessee at balance date.

(b) Operating lease as lessor (Receivables)

The Company has operating lease agreements with lessees of the terminal and other land and buildings of the airport with expiry dates ranging from 1 to 24 years including options to further extend terms under the individual lease agreements. Market rent reviews are carried out annually and are based on annual increases in the Consumer Price Index (All Group). The lessees do not have an option to purchase the properties at the expiry of the lease period.

Contingent rents of \$112,748 have been recognised during the year. (2025: \$67,791)

16. SHAREHOLDERS' EQUITY

(a) Share Capital	2026		2025	
	# of shares	Carrying value	# of shares	Carrying value
Issued Ordinary shares				
Opening balance	28,645,000	28,645,000	28,645,000	28,645,000
Ordinary shares issued in the year	-	-	-	-
Closing balance	28,645,000	28,645,000	28,645,000	28,645,000

The number of shares authorised at balance date were 28,645,000 shares. All issued ordinary shares are fully paid and have a par value of \$1 per share. Fully paid ordinary shares have full voting rights and participate fully in all dividends and proceeds upon winding up of the Company.

(b) Retained Earnings

	2026	2025
Retained earnings opening balance	4,965,610	4,216,067
Net surplus (deficit) after tax	1,031,627	749,543
Transfer from asset revaluation reserve (note 16c)	-	-
Retained Earnings Closing Balance	5,997,237	4,965,610

(c) Asset revaluation reserve

	2026	2025
Opening balance	36,243,608	36,243,608
Revaluation gain (loss)	-	-
Transferred to retained earnings (note 16b)	-	-
Deferred tax on movement	-	-
Closing balance	36,243,608	36,243,608

Asset revaluation reserve consists of:

	2026	2025
Land	19,169,846	19,169,846
Buildings and fitouts	5,113,537	5,113,537
Infrastructure assets	11,960,225	11,960,225
Closing balance	36,243,608	36,243,608

17. TRADE AND OTHER RECEIVABLES

	2026	2025
Receivables from exchange transactions		
Trade debtors	439,210	342,830
	439,210	342,830
Other receivables		
Forward Exchange Contract Receivable	18,584	-
Income tax refund due	35,508	38,900
	54,092	38,900
Total Trade and Other Receivables	493,302	381,730

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

The Company holds a forward exchange contract to manage exposure to the foreign currency risk on the purchase of a fire truck being built under contract in the United Kingdom. At 30 June 2026 the contract had a positive fair value of \$18,584, recognised as a financial asset measured at fair value through surplus or deficit. Fair value has been determined using observable forward exchange rates at balance date. A gain of \$18,584 was recognised in surplus or deficit during the year.

18. TRADE AND OTHER PAYABLES

	2026	2025
Payables from exchange transactions		
Trade creditors	227,062	330,793
Year-end accruals	463,711	175,563
	690,773	506,356
Other payables		
Related party payables	27,739	29,796
GST payable	84,608	70,599
	112,347	100,395
Total Trade and Other Payables	803,120	606,751

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying values of creditors and other payables approximate their fair value.

19. EMPLOYEE ENTITLEMENTS

	2026	2025
Annual leave	104,743	87,728
Alternative leave	48,214	46,650
Accrued wages	13,312	6,503
Total Employee Entitlements	166,269	140,881

20. PERSONNEL COSTS

	2026	2025
Salaries and wages	1,773,646	1,749,709
Defined contribution plan employer contributions	55,071	52,488
Increase/(decrease) in employee entitlements	25,388	(43,804)
Total Personnel Costs	1,854,105	1,758,393

21. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

22. BORROWINGS

	2026	2025
Current portion		
Borrowing – Rotorua Lakes Council	-	1,400,000
Non-current portion		
Borrowing – Rotorua Lakes Council	8,350,000	9,750,000
Borrowing – Bank of New Zealand	-	-
Total non-current portion	8,350,000	9,750,000
Total Borrowings	8,350,000	11,150,000

The term loan of \$8,350,000 from Rotorua Lakes Council is secured by a loan agreement, securing all property, plant and equipment. The average interest rate on the loan at balance date was 2.99%.

The Company's portfolio of debt is structured with a view to minimising interest rate risk and maximising certainty of the Company's debt servicing costs in the current financial year.

23. RELATED PARTIES

The controlling party of the Company is Rotorua Lakes Council. The following transactions are the disclosures of transactions between the Company and its shareholders and directors:

The following transactions were carried out with related parties on normal commercial terms. The transactions between the Company and Rotorua Lakes Council, and with companies in which directors have an interest are not required to be disclosed by PBE IPSAS 20 Related Party Disclosures. The disclosures made are for information purposes only.

a) Transactions with Rotorua Lakes Council

	2026	2025
<i>Purchases of goods & services</i>		
Land and water rates	136,927	129,275
Building and resource consent fees	1,286	458
Refuse disposal	61	59
Fire station expenses	775	23
	139,049	129,815
<i>Sales of goods & services</i>		
Service funding received under a service level agreement	1,800,000	1,800,000
Carpark charges	-	56
	1,800,000	1,800,056

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2026



	2026	2025
Loan		
Opening balance	11,150,000	11,150,000
Loan received during the year	-	-
Loan paid during the year	2,800,000	-
Loan from Rotorua Lakes Council as at balance date	8,350,000	11,150,000
Other		
Interest paid on loan	297,256	360,820
Balance receivable from Rotorua Lakes Council	-	-
Balance payable to Rotorua Lakes Council	27,739	29,796

During the year, tax losses of \$1,565,367 were transferred from RLC by loss offset to eliminate the company's tax liability for 2025 tax year. No payment was made to RLC in relation to this loss transfer. The company is also expecting to receive a loss offset from RLC to eliminate its tax liability for the 2026 tax year of \$1,927,165.

b) Board members remuneration

	2026	2025
Danielle Louise Auld	22,200	20,000
Fredrick Neville Cookson	13,903	17,500
Grant Raymond Lilly	17,172	15,000
Kevin William Ward	34,338	30,000
Marie Angela Hosking	16,125	15,000
Mark William East	17,169	15,000
	120,907	112,500

c) Key employee remuneration

	2026	2025
Total remuneration paid		
200,000 to 300,000	1	1

The key management personnel include the Board of Directors and CEO. Total key management personnel compensation for the financial year ending 30 June 2026 was \$397,428 (2025: \$373,150). This includes total full-time equivalent personnel of 7 in the financial year ending 30 June 2026. (2025:7) Due to the difficulty in determining the full-time equivalent for Directors, the full-time equivalent figure is taken as the number of Directors.

No related party debts have been written off or forgiven during the year. (2025: Nil)

24. STATEMENT OF INTENT NON-COMPLIANCE

The Company presented information in its 2026 and 2025 5 Statement of Intent (SOI) which did not fully comply with the requirements of the Local Government Act 2002. Forecast financial information was limited to the Statement of Comprehensive Revenue and Expenses. However, CCO's are now required to present forecast financial statements for the financial year to which the SOI relates, and each of the following two years, which must be prepared in accordance with generally accepted accounting practice.



ROTORUA AIRPORT

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